

Minutes
Otay Ranch POM Policy Committee Meeting
County Administration Center, Tower 7
1600 Pacific Highway
San Diego, CA 92101

May 29, 2009
2:00-4:00pm

Approved by the POM Policy Committee on 10/15/09.
Motion to approve by City of Chula Vista/COUNCILMEMBER PAMELA BENSOUSSAN.
Motion seconded by County of San Diego/SUPERVISOR GREG COX.
Motion Carried 2/0.

ATTENDEES:

City of Chula Vista

Deputy Mayor John McCann
Gary Halbert, Deputy City Manager
Jill Maland, Deputy City Attorney
Marisa Lundstedt, Principal Planner
Josie McNeeley, Associate Planner
Amy Partosan, Administrative Analyst
Tessa Quicho, Administrative Analyst
Iraesema Quilamtan

County of San Diego

Supervisor Greg Cox, District 1
Chandra Wallar, Deputy Chief Administrative Officer, Land Use & Env. Group (LUEG)
Mark Mead, County Counsel
Megan Hamilton, LUEG Group Program Manager, Dept. of Planning and Land Use (DPR)
LeAnn Carmichael, Planning Manager, Department of Planning and Land Use
Larry Duke, District Park Manager, DPR
Cheryl Goddard, Land Use/Environmental Planner, DPR

Public *(per attached sign-in sheet)*

Justin Craig, McMillin Companies
Rikki Schroeder, RMA
Bob Penner, Otay Land Company
Kim Kilkenny, Otay Ranch Company
Jeff Lincer, WRI

Agenda Item Numbers noted in parentheses

1. **Call to Order**
(I.) Meeting called to order at 2:05 pm by County of San Diego/SUPERVISOR GREG COX.
2. (II.) City of Chula Vista/DEPUTY MAYOR JOHN MCCANN motioned to approve the meeting minutes. Motion seconded by SUPERVISOR COX. Motion carried.
3. **Public Comment on items not related to Agenda**
(III.) SUPERVISOR COX opened and closed with no comment.
4. **Status Report**
(IV.A.) City of Chula Vista/JOSIE MCNEELEY reported on the Preserve Steward/Biologist scope of work and contract. Since the last Policy Committee meeting, POM staff has worked on revising the scope of work for the Preserve Steward/Biologist. The Preserve Steward/Biologist is to perform basic stewardship and conduct required biological surveys and monitoring for the Preserve. The PMT approved the scope of work at a special meeting held March 17th. At that time, the City agreed to administer the contract. The City then advertised for Request for Qualifications in early May for approximately 3 weeks. POM staff will be able to select a Preserve Steward/Biologist by the end of June and a contract administered by July.

SUPERVISOR COX asked if the Wildlife Agencies were happy with the scope of work.

MCNEELEY stated yes. POM staff worked closely with Wildlife Agencies staff in putting the scope of work together.

(IV.B.) County of San Diego/CHERYL GODDARD reported on future POM alternatives. Per Policy Committee direction, POM staff met with the Working Group on March 24th to discuss the POM alternatives. In addition to the Working Group, POM staff attended an Interagency Land Managers Coordination meeting held May 12th. Land managers from the Wildlife Agencies, BLM, and the City of San Diego Water Department were in attendance. POM staff discussed the POM alternative for other agencies and entities to take over land management of Preserve lands located east of Otay Lakes. The land managers at this meeting are interested in taking over management of those lands. POM staff will continue to work with these land managers over the coming months to iron out details. Also at the direction of the Policy Committee, POM staff drafted Implementation Steps and Timelines. The next steps for POM staff is to schedule a field trip with the potential land managers for mid-June, meet with the potential land managers to discuss land transfer and management requirements on July 23rd, and schedule a Working Group meeting to flush out POM alternatives in August. POM staff will then return to the Preserve Management Team (PMT) and the Policy Committee at their next regularly scheduled meetings, anticipated to be in

late August and September respectively, with a recommendation on the rankings of preference of the various POM alternatives.

SUPERVISOR COX asked if the potential land managers included the Wildlife Agencies, BLM, and the City of San Diego Water Department.

GODDARD stated yes. Those are the agencies and entities that own land adjacent to the Otay Ranch Preserve.

(IV.C.) GODDARD reported on Preserve access issues. The POM requires legal and physical access to conveyance lands before it will accept fee title to it. McMillin Companies and Otay Ranch Company have proposed conveyance lands which are currently accessed through existing dirt roads which cross City of San Diego Water Department and Dept. of Fish and Game lands. POM staff sent Right of Entry request letters to the City of San Diego and the Department of Fish and Game on April 28th. The Dept. of Fish and Game has responded with a Right of Entry letter. The City of San Diego is in the process of processing the POM staff's request. GODDARD reported that Niki McGinnis of the City of San Diego Water Department does not foresee issues with the Right of Entry request, rather it is more of an administrative process to grant the access.

SUPERVISOR COX asked if the POM was requesting an easement or Right of Entry.

GODDARD stated that the POM is seeking Right of Entry.

SUPERVISOR COX asked if Right of Entry was enough to accept the land into the Preserve.

GODDARD stated yes.

SUPERVISOR COX stated that depending on future actions, access may lead back to one of the agencies or entities who are interested in taking over land management responsibilities east of the lakes. SUPERVISOR COX stated that he is happy that the agencies and entities are working together and cooperatively.

(IV.D.) GODDARD reported on the proposal to vacate and substitute conveyance lands north of Village 13/Resort site. Otay Ranch Company has offered a total of ~963 acres of conveyance lands north of Village 13 via an Irrevocable Offer of Dedication (IOD) and a recorded Open Space Easement in the eastern portion of Village 13. The IOD has been acknowledged by the POM but has not been accepted due to the proposed development and Preserve boundary modifications associated with the Village 13 entitlement and permitting process. Otay Ranch Company has expressed that their reasons for proposing to vacate

and substitute the conveyance lands is to allow the POM to accept fee title to the conveyance land. The substitution land is located within the San Ysidro Parcel. Once the land conveyance land is vacated and replaced, Otay Ranch Company is proposing to use that area as the conveyance obligation associated with the Village 13 development project. The application for the proposed vacation and substitution, is anticipated to be submitted to the County and the City within the next few weeks.

ROB CAMERON stated that Otay Ranch Company anticipates submitting the applications next week.

City of Chula Vista/ MARISA LUNDSTEDT stated that in meeting with the potential land managers, the land managers, in particular BLM, were excited about the proposed substitution land.

SUPERVISOR COX stated that if the POM is successful with implementing alternative land managers for Preserve lands east of the lakes, there is the potential for the other agencies and entities to fill in holes within their planned management areas.

DEPUTYMAYOR MCCANN stated that future development is far off due to the economy but requests that an update on the Village 13 application be presented at the next Policy Committee meeting. Village 13 is adjacent to a lot of the lands that we are discussing.

County of San Diego/CHANDRA WALLAR stated that an update can be provided at the next meeting.

5. **(V.) Goddard** reported on the Phase 2 Resource Management Plan (RMP) Update. POM staff has been working with the Otay Ranch Company who submitted an updated version at the end of 2008. The changes include updating figures, including the Preserve boundary to make the County and the City's boundary consistent, including development/Preserve acreage accounting to-date, includes budget assumptions, and actions taken by the Policy Committee, the Board of Supervisors, and City Council. POM staff met with Otay Ranch Company in February to discuss the changes and has a follow-up meeting scheduled for June 18th. At the last PMT meeting, the PMT directed POM staff to ask the Policy Committee for direction as to whether staff should return to the PMT and Policy Committee prior to docketing the items for Board of Supervisor and City Council consideration.

SUPERVISOR COX stated that he is comfortable with the working relationship between City and County staff and that staff should make the necessary changes and take them directly to the Board and City Council. Each Policy Committee will be able to provide their input at their respective Board and Council hearings.

SUPERVISOR COX made the motion to allow staff to bring the Phase 2 RMP Update directly to the Board and City Councils

DEPUTY MAYOR MCCANN seconded the motion. Motion passed.

6. Future Infrastructure

(VI.) GODDARD reported on future infrastructure. Per Policy Committee direction, POM staff and County and City legal counsels attended a mediation session with retired Judge May on April 17th. As a recap, the issue of future infrastructure involves language proposed by the City to be included on conveyance documents providing the jurisdiction in which the infrastructure is to be located the authority to site the infrastructure. The County requested that the conveyance documents remain silent on the issue of future infrastructure and for each proposed siting of future infrastructure to be reviewed on a case-by-case basis. At the outcome of the mediation session, the mediator recommended that POM staff amend the JPA and any related policy documents to clarify that each respective entity is to control the siting of future infrastructure facilities on Preserve land which is within their respective boundaries and that siting decisions should occur only after requesting, receiving, and considering recommendations from the POM. It is POM staff's recommendation to implement the mediators written recommendation date April 21, 2009 as a part of the Phase 2 RMP Update; direct legal staff to continue coordination on language to be included in conveyance documents which grants an easement for future facilities to the jurisdiction in which the facility is to be located; and if consensus is reached amongst legal staff, POM staff may proceed with acceptance of conveyance lands in which future infrastructure is the only outstanding issue. To date, the City has provided the County with proposed language. The County agrees with the language in concept and now it is a matter of semantics.

DEPUTY MAYOR MCCANN motioned to approve POM staff's recommendation.

SUPERVISOR COX seconded the motion. Motion passed.

7. Finance

(VII.A.) MCNEELEY reported on the FY08-09 Budget Actuals. The beginning fund balance for CFD 97-2 was \$376,818. The estimated budget for FY08/09 was \$505,000. The City levied for \$510,339. As of May 12th, the revenues received totals \$392,082. Expenditures to-date total ~\$140,000. This total does not include Q4 expenditures. The current fund balance is \$627,460. For this fiscal year, administrative expenses have gone over budget. As we discussed, we have been addressing the future infrastructure issues and there have been new legal staff assigned to the project this year so it was a matter of getting staff up to speed. We do anticipate additional administrative charges as staff is in the process of working through the future infrastructure language. There have been expenditures under Preserve Operations and Maintenance and there will be

anticipated expenses for new signs. The remainder of the budget will be rolled-over to the FY09-10 budget basically to cover the cost of the Preserve Steward/Biologist contract.

SUPERVISOR COX asked what the anticipated fund balance is to be by June 30th.

MCNEELEY stated she was unsure what the revenues would total by the end of June so it is hard to estimate.

SUPERVISOR COX asked if additional revenues are being collected.

MCNEELEY stated yes.

DEPUTY MAYOR MCCANN asked how the levy amount is determined for each parcel.

MCNEELEY stated that the amount is determined through a formula listed in the Special Tax Report. There is a Rate of Method Appropriation that is used.

DEPUTY MAYOR MCCANN asked if that rate is fixed or does it increase each year?

City of Chula Vista/AMY PARTOSAN stated that the maximum levy amount can be increased by a CPI, an index. It fluctuates and depends on the budget each year and the ending fund balance of the previous fiscal year. The rate does fluctuate but it can't exceed the index amount per the Special Tax Report.

DEPUTY MAYOR MCCANN stated that in the 5-year forecast included as a handout, it is assumed that the amount of units being taxed remains constant after 2009. This is likely due to the current economy. The average per parcel assessment continues to increase.

MCNEELEY stated the per parcel assessment amount in the 5-year forecast was added at a request. The number shown in the forecast is not a true number. The assessment amounts are based on a formula found in the Special Tax Report. The number shown on the forecast is based on the maximum levy amount divided by the assumed amount of parcels to be levied. There is a specific calculation used to determine the assessment amount.

DEPUTY MAYOR MCCANN asked how the housing value effects the maximum levy amount. Can the levy amount increase even if the housing values have generally decreased?

PARTOSAN stated that Community Facility Districts (CFD) within the City are based on square footage and not the value of the home. Even though the value

of a house decreases, the CFD assessment amount could increase based on the index indicated in the Special Tax Report.

SUPERVISOR COX stated that the CFD is probably predicated on the fact that the cost to maintain the Preserve will likely remain the same or slightly increase. SUPERVISOR COX asked if the average index amount used is roughly 4% increase on the average parcel.

PARTOSAN stated yes.

DEPUTY MAYOR MCCANN stated that based on the 5-year forecast, the POM will be running on a deficit. Why is this?

MCNEELEY stated that the 5-year forecast assumes a delinquency rate of 21% which is the deficit amount for the first installment collected on December 10th. The City's finance staff advises that it is still early. A deficit amount cannot accurately be calculated until the assessments have been on the books for a full year. It is apparent from the 5-year forecast that we will be in the red however the City's finance staff has recommended that the 5-year forecast be reviewed each September which is when the Policy Committee is anticipated to reconvene. Staff should have a more accurate delinquency rate to be used in the forecast by then.

SUPERVISOR COX stated that money will be rolled-over next fiscal year to cover the Preserve Steward/Biologist contract so there will be money available for that. It is more of a cash-flow issue.

MCNEELEY stated yes. There is money that will be rolled over from this fiscal year to next fiscal year for the Preserve Steward/Biologist to complete their work.

County of San Diego/CHANDRA WALLAR stated that the PMT is also closely watching the budget so that staff can adjust immediately as needed so that the budget does not go in the red in future years.

(VII.B.) MCNEELEY reported on the revised FY09-10 budget. The FY09-10 budget was presented to the Policy Committee at their last meeting in February. Since then the PMT held a special meeting to discuss the scope of work for a Preserve Steward Biologist. Also at that meeting, the PMT approved modifications to the budget which included reallocating funds associated with the Park Ranger, Preserve Operation and Maintenance, and Resource Monitoring to the Preserve Steward/Biologist. The total budget numbers remain the same. There is a total of \$340,000 from FY07-08 and FY 08-09 that will be rolled over to the FY09-10 budget.

(VII.C.) MCNEELEY reported on the updated 5-year POM budget projection. The 5-year budget has been updated to reflect the current number of taxable parcels which is currently 10,212. Previously it was 9,536 parcels. The 10,212 amount is assumed for the following fiscal years due to the current economy however we anticipate this number to increase as development picks up and are annexed into the CFD. A 21% delinquency rate has been factored in and is based on the first installment collection of December 10th. This number will be adjusted for the next Policy Committee meeting and will use the delinquency rate based on both installment collections. The forecast also shows the cost for the services to be completed by the Preserve Steward/Biologist. This number will change annually as staff assesses the work to be completed each year based on a Work Plan to be completed by the Preserve Steward/Biologist. The numbers are not fixed, they will adjust, and are based on a 21% delinquency rate.

SUPERVISOR COX asked if the Preserve Steward/Biologist will be a contracted position, not a County or City employee.

MCNEELEY stated yes.

SUPERVISOR COX stated that if the POM can work out the details for the lands east of the lakes, the Preserve Steward/Biologist would then focus on the remaining preserve lands.

MCNEELEY stated yes.

SUPERVISOR COX asked if the Policy Committee needed to take action on the revised budget.

MCNEELEY stated that the budget has gone to the City Council. The dollar amount did not change but it was simply a reallocation of funds to the Preserve Steward/Biologist.

9. Adjournment

(IX.) SUPERVISOR COX asked if there were any public comments. No comments were made by the public.

SUPERVISOR COX said that he was happy to hear about the attitudes of the resource agencies. In the end it may make more sense for the other potential land managers to manage the lands east of the lake. As the details are worked out, each potential land manager should understand that there needs to be an integrated trail system in this area. The County has worked with Fish and Game on MSCP lands and there is a willingness to work together with that agency and hopes that the Refuge, BLM, and City of San Diego Water Department are also cooperative in trail planning. Although it is the intent to have an open space preserve system, there is also the goal to have an appropriately placed trail

system. There should be an understanding with any potential land transfers that trails shouldn't be precluded in the land transfers.

DEPUTY MAYOR MCCANN stated that he is optimistic with how things are moving along. The integrated trail system is very important.

SUPERVISOR COX asked if the Policy Committee should take any action on the POM alternatives in regards to narrowing down the alternative choices.

GODDARD stated that POM staff recommends to keep all the alternatives viable at this time. Staff will be meeting with the Working Group to discuss the alternatives in more details in August and discussing which alternatives may be combined. Staff will have a recommendation ranking the order of preference for the Policy Committee at its next meeting.

SUPERVISOR COX asked if the next meeting has been scheduled.

GODDARD stated not at this time, but it is anticipated to be in September.

DEPUTY MAYOR MCCANN stated that he would clear his calendar for any Friday in September except for the one after Labor Day.

SUPERVISOR COX adjourned the meeting at 2:40pm.

ATTACHMENT A

MEETING SIGN-IN SHEET

Project: Otay Ranch Preserve
Preserve Management Team (PMT)

Meeting Date/Time: May 13, 2009, 1:30-3:30 pm

Place/Room: County Administration Center, Room 212 Drake Conference Room
1600 Pacific Highway
San Diego, CA 92101

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